NTCA
NATIONAL TELECOMMUNICATIONS COOPERATIVE ASSOCIATION
The Voice of Rural Telecommunications
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December 9, 2011

***Ex Parte* Notice**

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

***Connect America Fund*, WC Docket No. 10-90; *A National Broadband Plan for Our Future*, GN Docket No. 09-51; *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135; *High-Cost Universal Service Support*, WC Docket No. 05-337; *Developing* a *Unified Intercarrier Compensation Regime*, CC Docket 01-92; *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45; *Lifeline and Link-Up*, WC Docket No. 03-109; *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208**

Dear Ms. Dortch:

On Wednesday, December 7, 2011, Larry Thompson from Vantage Point Solutions, Robert DeBroux from TDS Telecom, and the undersigned on behalf of the National Telecommunications Cooperative Association (collectively, the "Rural Representatives") met separately to discuss matters in the above-referenced proceedings with: (1) Carol Mattey, Amy Bender, Steve Rosenberg, and Alex Minard of the Wireline Competition Bureau; and (2) Al Lewis and Victoria Goldberg of the Wireline Competition Bureau and Joseph Levin of the Wireless Telecommunications Bureau.

In the first meeting, the Rural Representatives discussed best practices in network engineering and the burdens, processes, and costs associated with achieving network speeds through different broadband technologies. The Rural Representatives noted the challenges of delivering service to customers in sparsely populated rural areas, even if just a few miles outside of small towns. They also highlighted the tension and potential confusion that could result from the interaction of the investment and operating expense caps and other support reductions adopted in the recently released Order and the desire of the Federal Communications Commission (the "Commission") for consumers to receive certain speeds. The Rural Representatives urged the Federal Communications Commission (the "Commission") to ensure that there is sufficient and predictable support and clear guidelines so that network providers can carry out build-out plans and deliver services in rural areas as contemplated by the Order.

In the second meeting, the Rural Representatives discussed concerns with the routing and exchange of intraMTA traffic between local exchange carriers ("LECs") and CMRS providers. As Figures 2 and 3 in the attached materials show, many intraMTA LEC-to-CMRS calls or CMRS-to-LEC calls route through IXCs, and there is today no technical or practical means to halt such routing or to identify such traffic as intraMTA in nature on each and every call routed through an IXC.

In the case of LEC-to-CMRS calls that terminate to a number rated outside of the LEC's landline local calling area, the Rural Representatives explained that switches would need to be upgraded and programmed to perform several dips on ***each and every*** outbound long distance call from a landline telephone customer to determine if the call is destined for a CMRS customer and if so, if this customer is located inside the same MTA. None of these dips are performed today in the ordinary course, and even if it were possible to add all of these multiple dips (which is not yet clear), upgrading and reprogramming switches in this manner would add substantial burden and expense to the process of call routing for the purpose of addressing only a fraction of all traffic traversing each switch. It is also not clear if the CMRS carriers would allow the LECs to dip their databases to determine the location of their customer or how this will be performed. The Rural Representatives also pointed out that there are numerous instances where CMRS carriers operating in the same MTA have not chosen to have a direct or indirect connection with the LEC, so there are no facilities to route these calls other than through an IXC. In addition, due to intermodal porting and the mobile mature of a CMRS customer, there would be a high level of customer confusion since the LEC customer would no longer be able to know if a call will be a toll call or a local call when placing a call.

There is also a significant concern in the case of CMRS-to-LEC intraMTA calls that are routed through an IXC for delivery to the LEC. In such circumstances, the CMRS provider has made an affirmative choice to route the call through an IXC rather than seek a local interconnection with the LEC to whom the call is sent. In that case, there is no means for the terminating LEC to know whether the call is CMRS-originated or whether it is intraMTA – the call simply comes to the LEC across switched access services from an IXC who provides no information to indicate that the call originated with a CMRS customer or where that CMRS customer may have happened to be located at the precise moment the call was placed. In cases where the CMRS is makes an affirmative choice to route a call through an IXC, the Commission should make clear that the IXC is subject to access charges – if the CMRS provider wants its intraMTA traffic to be subject to bill-and-keep under the Order, it should be required to avail itself of interconnection or call routing alternatives that would ensure such treatment.

Particularly when the Commission declined to adopt stricter phantom traffic rules (*e.g.*, requiring passage of OCN, CIC, and JIP parameters) because of perceived "complexities" (*see* Order at ¶ 727) that ostensibly require resolution by industry standard setting bodies, it is perplexing that the Commission would issue a separate mandate in the same Order that imposes such clear burdens and presents novel concerns in switch programming and call routing without any consideration at all of the technical feasibility or impacts of such a mandate. Just as in the case

of phantom traffic, this fundamental shift in switch management and programming should be subject to further discussion and development in industry-setting bodies before LEC-to-CMRS intraMTA calls that are originated through an IXC will be considered subject to bill-and-keep.

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. The materials provided to staff during the second meeting referenced in this letter are provided herewith. If you have any questions, please do not hesitate to contact me at (703) 351-2016 or mromano@ntca.org.

Sincerely,

/s/ Michael R. Romano
Michael R. Romano

Senior Vice President - Policy

Enclosure

cc: Carol Mattey
Amy Bender
Steve Rosenberg
Alex Minard
Al Lewis
Victoria Goldberg
Joseph Levin

October 21, 2011

Ex Parte Notice

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing a Unified Intercarrier Compensation Regime, CC Docket 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109

Dear Ms. Dortch:

On Thursday, October 20, 2011, the undersigned, on behalf of Vantage Point Solutions, together with Michael Romano of the National Telecommunications Cooperative Association, had a conference call with Victoria Goldberg of the Wireline Competition Bureau.

During the conference call, we discussed various difficulties associated with the implementation of intraMTA local calling between Commercial Mobile Radio Service ("CMRS") carriers and Local Exchange Carriers ("LECs"). We described how certain intraMTA calls between a LEC and a CMRS carrier are actually routed through interexchange carriers by virtue of the CMRS carrier's choice of network deployment, and that overlooking or consciously ignoring this network routing and interconnection choice by the CMRS carrier in any new rules would result in not only significant additional expenses for both the CMRS carrier and the LEC, but also cause increased customer confusion and additional opportunities for phantom traffic – all at a time when the Federal Communications Commission ("Commission") is looking to simplify and streamline the ICC process and minimize phantom traffic concerns. In summary, we discussed the complexities associated with very large Major Trading Areas ("MTAs"), LEC to CMRS calls, and CMRS to LEC calls. We have provided three figures, which are attached to this Ex Parte to make the discussion of these issues more clear.

Major Trading Areas. There are 51 MTAs in the United States. Some MTAs cover only a portion of a state and others cover portions of several states. Figure 1 shows the MTAs in the United States with several of them highlighted. As seen in Figure 1, the Minneapolis MTA ("MTA 12") covers all of North Dakota, most of South Dakota, all of Minnesota, and portions of

Iowa, Wisconsin, and Michigan. It is over 700 miles from the western portion of the MTA to the far eastern portion of the MTA.

LEC to CMRS Calls. In all instances of which I am aware, the calling scope of the LEC customer (as the originator of the call) is used when making call routing decisions, regardless if the LEC customer is calling a CMRS customer or another landline LEC customer. For example, as shown in Figure 2, if a LEC customer in North Dakota calls another landline LEC customer in Minneapolis, the call would be dialed and treated as a toll call and routed and delivered via an Interexchange Carrier ("IXC"). Likewise, if that same LEC customer were to call a CMRS customer in Minneapolis, the call would be delivered via an IXC. However, as shown in Figure 2, if the FCC were to require that the call be delivered as a local call (not via an IXC), several issues would arise for both the LEC and the LEC's customer.

First, when the LEC customer places the call, it is not currently possible for the LEC to determine if the call is an interMTA or intraMTA call since no originating carrier can know or determine the location of a CMRS customer. Therefore, the LEC would be unable to determine if the call should be delivered on a local basis or delivered to an IXC as a toll call. In fact, regardless of the location of the CMRS customer, the LEC currently does not even determine if the call is destined for a CMRS customer or another LEC customer. Using Local Number Portability ("LNP") dips and call processing techniques that do not exist today, it may theoretically be possible for the LEC to determine if the phone number belongs to a CMRS customer (albeit at a substantial cost). But, to be clear, such techniques do not yet exist, compliance with them would likely impose significant new burdens if they could be developed, and even then it would be difficult, if not impossible, for the LEC to determine the actual location of the CMRS customer being called.

Moreover, even if some means *did* exist for the originating LEC to determine that this call should be delivered on a local basis, it would still not be possible to deliver the call in that manner, since many CMRS carriers have not deployed local trunks into many rural LEC offices, so there would be no route for the LEC to use.

Finally, assuming the LEC could determine it was a local call ***and*** the CMRS carrier had deployed a local interconnection facility (or made transit arrangements) for receipt of the call, there would be significant customer confusion due to the mobile nature of CMRS customers and the intermodal porting of numbers. For example, the LEC customer would not know if they should expect toll charges or not when placing a call, since the CMRS customer may be in the same MTA some of the time and in another MTA at other times. In other words, a LEC customer could place a call to a given CMRS customer's number and not be assessed toll charges in one instance, but then be assessed toll charges in calling the same number a second time because the CMRS customer had roamed out of the MTA or because they ported their number to a landline phone.

CMRS to LEC Calls. Now we consider the reverse – where a CMRS customer in Minneapolis calls a LEC customer in North Dakota as shown in Figure 3. Under this scenario, if the CMRS

carrier were to deliver the call to the LEC on a local basis, then the call would be billed as a local call. However, if the CMRS carrier chose to route and deliver the call using an IXC because it was more efficient to do so, the call would become co-mingled with all other access traffic from that IXC on access facilities, and the LEC would bill the IXC access on this call. Under this scenario, the LEC would not assess any charges to the CMRS carrier; presumably the IXC would, however, have sought and received some compensation from the CMRS carrier for its role in helping to transport that intraMTA call for the CMRS provider.

Using the technology available in today's network, it would not be possible for the LEC to determine if the call in this example were a CMRS intraMTA call or a CMRS interMTA call for a variety of reasons, including:

- There is no information in the SS7 record that would identify if the call were interMTA or intraMTA. Even if the SS7 network were to be enhanced to provide this information, the tandem provider would also have to upgrade its billing system to provide this information as part of the Exchange Message Interface ("EMI") records.
- If the telephone number were to be used as a proxy for the location of the CMRS caller, the LEC would have to somehow determine if the caller was a CMRS customer at the time the call terminates rather than during the normal billing process (which normally happens days or weeks after the call), since the number may have been ported before the billing process begins. This would require new processes, upgrades, and expense. (Indeed, this Commission has to date expressed significant reluctance in the context of addressing phantom traffic to require changes to the handling of billing records – yet, if it were to adopt a rule that overlooks or ignores the role of IXCs in transporting intraMTA calls, this is precisely what it would be doing in this specific instance.)
- If one were to rely on the IXC or the tandem provider to somehow identify these calls as either interMTA or intraMTA, an entirely new form of arbitrage and phantom traffic would emerge. This is because the access traffic would now be intermingled with local traffic, and there would be a motivation for the IXC or tandem provider to claim access traffic as being local to reduce its costs.

In summary, the Commission needs to proceed with substantial caution in specifically handling the rating and routing of intraMTA calls where an IXC is employed by the CMRS carrier to help route and receive or deliver those calls. This is a case in which an overly broad rule that does not take into account such special circumstance poses the risk of creating several serious technical issues, causing additional costs for both the LEC and the CMRS carrier, introducing significant customer confusion, and creating new arbitrage and phantom traffic issues.

* * *

Pursuant to Section 1.1206 of the Commission's rules, a copy of this letter is being filed via ECFS with your office. If you have any questions, please do not hesitate to contact me at (605) 995-1777 or Larry.Thompson@Vantagepnt.com.

Sincerely,

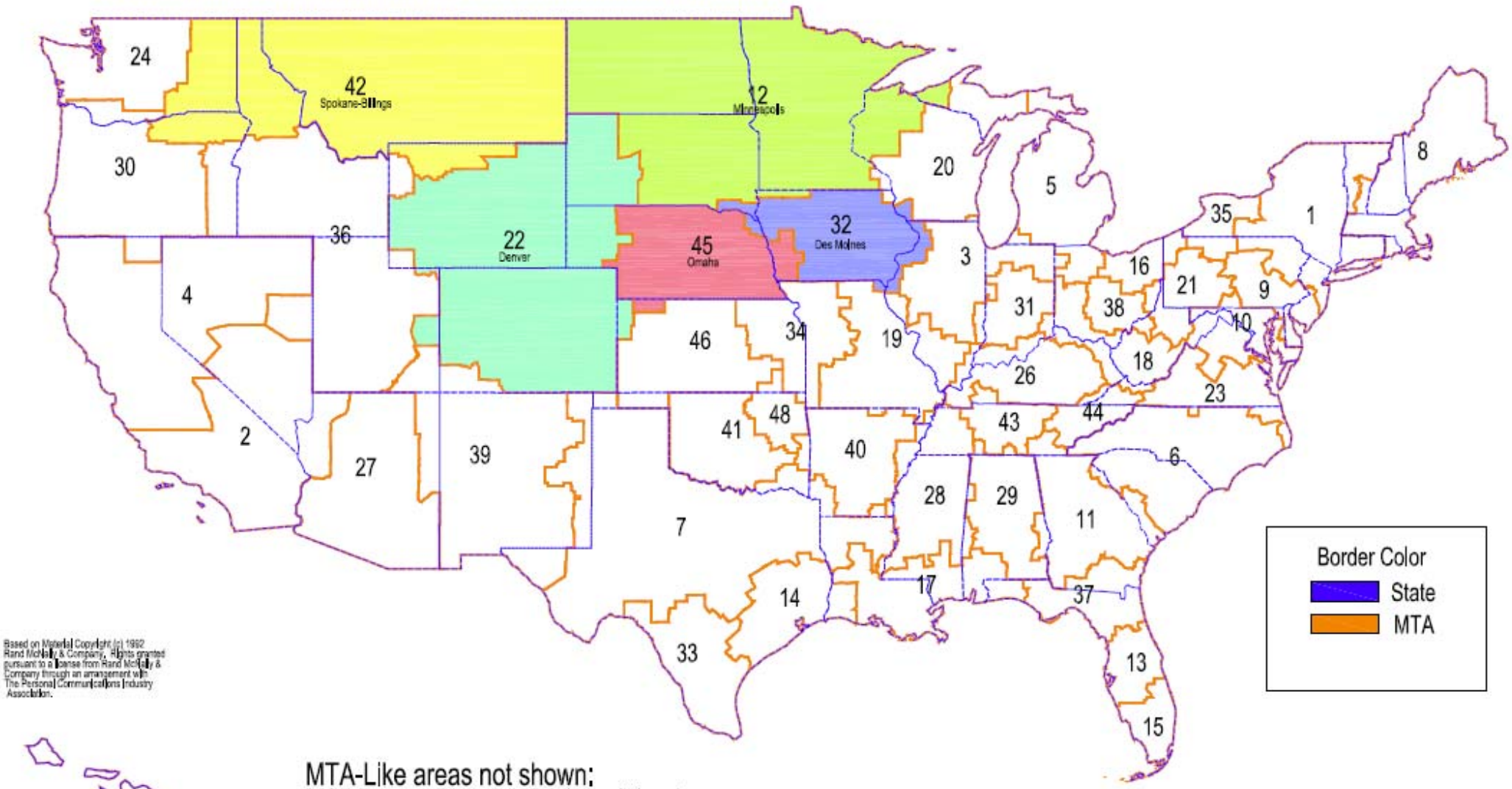
/s/ Larry D. Thompson

Larry D. Thompson
Chief Executive Officer
Vantage Point Solutions

Enclosure

cc:
Rebekah Goodheart
Al Lewis
Doug Slotten
Randy Clarke
Victoria Goldberg
Michael Steffen

Figure 1: MTA Map of US

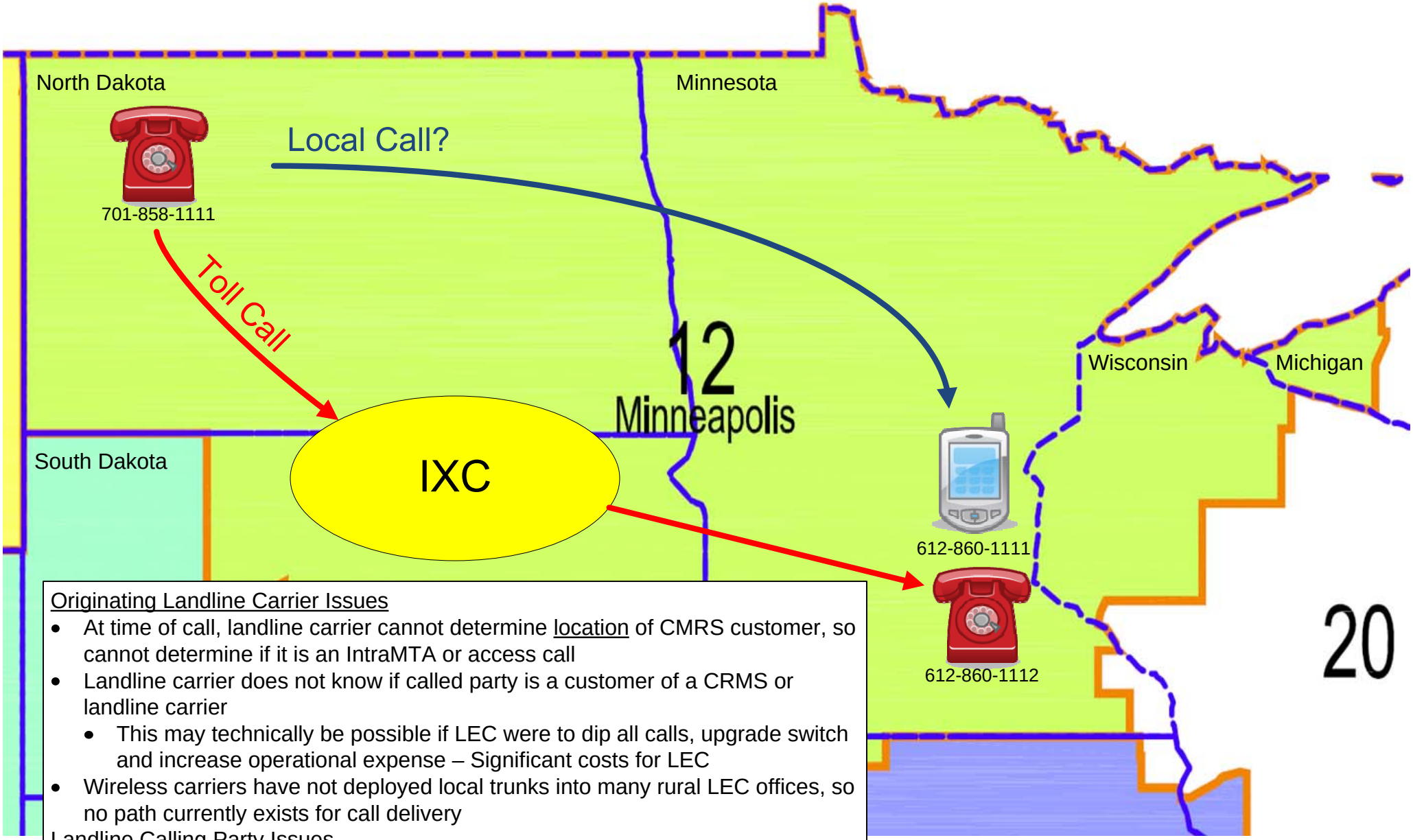


MTA-Like areas not shown;
M25 Puerto Rico & US Virgin Islands
M49 Alaska
M50 Guam and Northern Mariana Islands
M51 American Samoa

- MTAs can be very large – often spanning hundreds of miles and covering all or part of 5 or more states

VantagePoint

Figure 2: Landline to CMRS - Local Calling in MTA



Originating Landline Carrier Issues

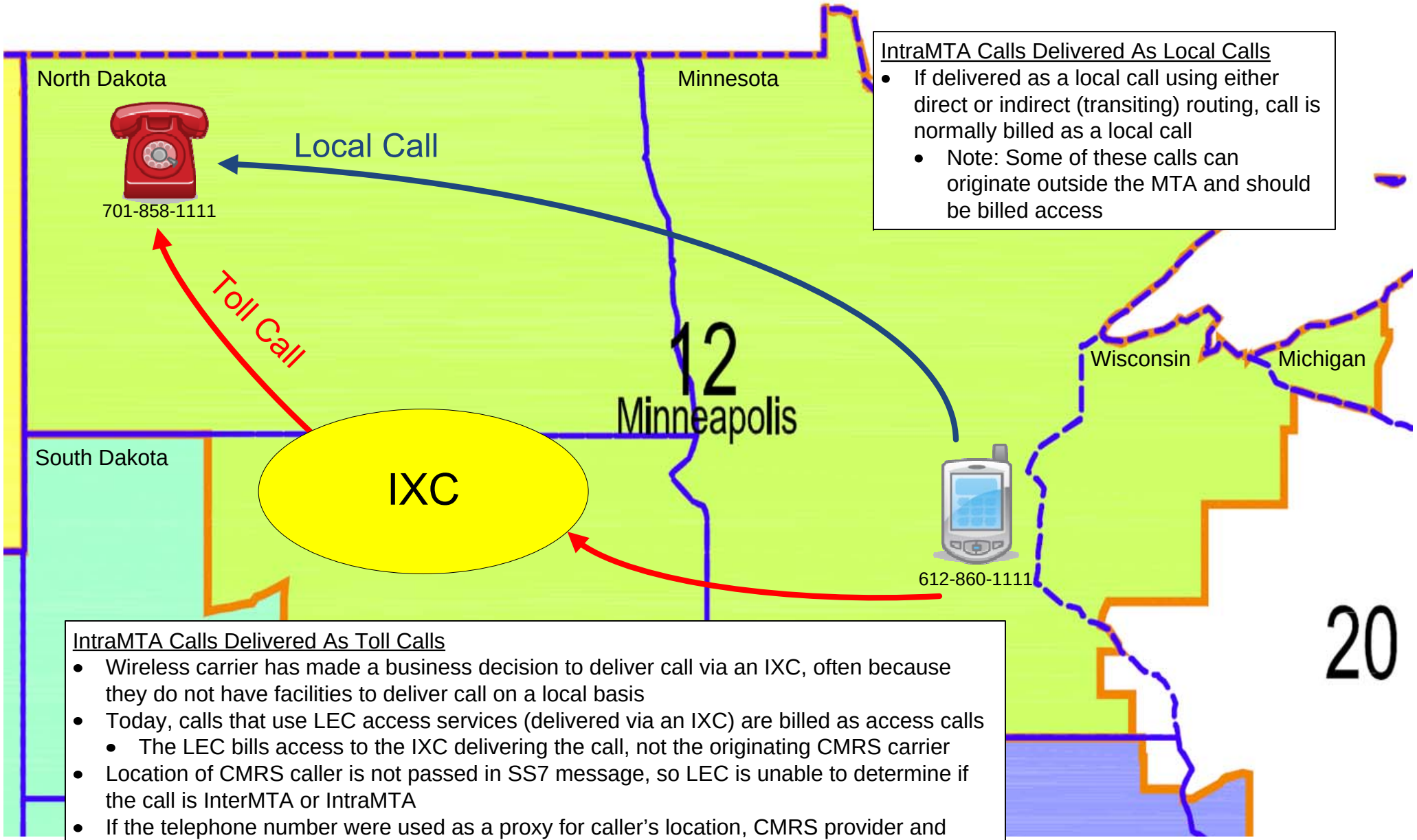
- At time of call, landline carrier cannot determine location of CMRS customer, so cannot determine if it is an IntraMTA or access call
- Landline carrier does not know if called party is a customer of a CRMS or landline carrier
  - This may technically be possible if LEC were to dip all calls, upgrade switch and increase operational expense – Significant costs for LEC
- Wireless carriers have not deployed local trunks into many rural LEC offices, so no path currently exists for call delivery

Landline Calling Party Issues

- A call could be local or toll from one minute to the next based on Called Party location (mobility) or service provider (porting)
  - Customer confusion – would not know what calls would result in additional toll charges

VantagePoint

Figure 3: CMRS to Landline - Local Calling in MTA



IntraMTA Calls Delivered As Local Calls

- If delivered as a local call using either direct or indirect (transiting) routing, call is normally billed as a local call
  - Note: Some of these calls can originate outside the MTA and should be billed access

IntraMTA Calls Delivered As Toll Calls

- Wireless carrier has made a business decision to deliver call via an IXC, often because they do not have facilities to deliver call on a local basis
- Today, calls that use LEC access services (delivered via an IXC) are billed as access calls
  - The LEC bills access to the IXC delivering the call, not the originating CMRS carrier
- Location of CMRS caller is not passed in SS7 message, so LEC is unable to determine if the call is InterMTA or IntraMTA
- If the telephone number were used as a proxy for caller's location, CMRS provider and location would have to be determined at time of the call. This is not currently done and would require additional switch upgrades and database development.
- Substantial phantom traffic and arbitrage issues would be introduced when mixing local and toll traffic

VantagePoint